



Comptroller of the Currency  
Administrator of National Banks

# Community Developments

Fall 2002

*Community Affairs OnLine News Articles*

## **This just in . . .OCC's districts report on new opportunities for banks**

### **Western District**

Julia Brown (415) 545-5956

Susan Howard (818) 240-5175

#### **Inner-City Banking Centers Converting to Full-Service Branches**

Operation HOPE has announced the sale of two of its three California banking centers to local banks pending regulatory approval. Hawthorne Savings and California National Bank will convert the centers, in Los Angeles and Maywood, to full-service bank branches. Both banks view the purchases as opportunities to expand into underserved communities with built-in customer bases. The centers provide financial counseling, check cashing, utility bill payments, and other related banking services to over 12,000 customers. Operation HOPE will continue to supply counseling, down-payment assistance and other non-banking services.

For more information contact Karen Clark at Operation HOPE (213) 891-2900 or visit the website [www.operationhope.org](http://www.operationhope.org).

### **Yurok Indian Tribe Reaches Out to Financial Institutions**

In an effort to spur partnerships and conventional lending on the Yurok reservation in northern California, the tribe's Housing Authority now holds title to all land for affordable housing development (and associated community facilities) on the reservation in fee simple. This removes a long-time barrier to conventional financing because the land is not held in trust and thus may be used for collateral for loans. The Yurok Tribe, with about 4300 members, is the largest federally recognized tribe in California. For more information, please contact Judith Marasco, Executive Director of the Yurok Tribal Housing Authority at (707) 482-1506.

### **Southwest District**

David Lewis (214) 720-7027

Dave Miller (214) 720-7067

#### **New Statewide Individual Development Account (IDA) Programs**

**Louisiana:** The IDA Collaborative of Louisiana received a contract through the Louisiana Department of Social Services and is implementing a statewide IDA program. The IDA Collaborative is seeking bank partners to provide savings accounts, support and technical assistance. For more infor-

mation, please call Lina Alfieri Stern, Program Administrator, at (504) 865-5455.

**Texas:** The Texas IDA Network is a new statewide organization with 16 IDA sites in Houston, Austin, San Antonio, Fort Worth, Amarillo, Waco, and El Paso. Groups in the Rio Grande Valley and south Texas (McAllen, San Juan, and Brownsville) are also developing IDA programs. The network is seeking bank involvement to begin serving these and other major urban and rural areas with loan and banking services. For more information, contact Woody Widrow, Texas IDA Network, at (512) 477-4431.

### **Oklahoma's Business Tax Credit**

Oklahoma's small business tax credit program provides a 20 percent tax credit for urban and 30 percent for rural small business investments. Investments made under the state's Small Business Capital Formation Incentive Act yield tax credits that serve as prepayments against future state taxes. Credits may be carried forward for up to 10 years. There are no recapture requirements. Qualified investments may be made through December 31, 2004, and must fund equity and near-equity funding to small businesses in specified industries. For more information, contact the Oklahoma Department of Commerce at (405) 815-5143.

### **Midwestern District**

Annette LePique (816) 556-1832

Seminar on Business Lending to Hispanic Immigrants

On December 5, 2002, the OCC, SBA, FDIC, and Federal Reserve Bank of Kansas City held a one-day workshop for bankers illustrating ways of increasing commercial lending to Hispanic immigrants. Sessions focused on establishing credit histories with alternative identification forms, financial literacy education, and developing specially tailored credit products for the rapidly growing Hispanic population in the Midwest.

### **Nebraska Sovereign Lending Workshops**

The OCC, Federal Reserve Bank of Kansas City, and the FDIC have been conducting a series of Sovereign Lending Workshops in Nebraska. Workshops were held in South Sioux City last summer and on the Omaha Indian reservation in the fall. Workshops focused on problems experienced by Native Americans because of lack of capital, collateral, credit histories, and experience with personal finance. Other issues discussed included the failure of lenders to understand sovereign immunity, tribal governments, and tribal legal systems, and the inflexibility of bank lending rules and regulations. The next workshop will be held on April 9, 2003 in Norfolk, Nebraska in conjunction with the Winnebago Tribe, the Ponca Tribe of Nebraska, and the Omaha Tribe. For more information on this and other workshops, contact Annette LePique at (816) 556-1832.

### **Central District**

Paul Ginger (312) 360-8876

### **Illinois Child Care Collaborative**

In the wake of welfare reform, supporting the child-care industry is an economic development priority in Illinois. A partnership between a state economic development agency, several private-sector employers and a nonprofit business development organization is providing financial, management and marketing assistance to small day-care businesses in economically distressed areas in and around

Chicago and now is expanding to other areas of the state, offering micro-loans from \$500 to \$25,000. Banks can provide referrals, funding, and expertise. For more information, contact Lucero Trevino at (312) 814-8736.

### **Tax Refunds = Bank Accounts**

Financial institutions in Chicago, Milwaukee and Louisville have the opportunity to open deposit accounts for unbanked low- and moderate-income persons receiving tax refunds averaging \$1,500 and more, by working with nonprofit organizations and government agencies to help prepare income tax returns for individuals eligible for earned income tax credits. These programs, which encourage unbanked participants to use their refunds to open bank accounts and in some cases to deposit refunds into Individual Development Accounts, helped nearly 15,000 people claim nearly \$15 million in tax refunds in the 2002 tax-filing season. To get involved for the 2003 tax season, contact: **Chicago** - Dara Cooper, (312) 252-0280; **Milwaukee** - Kristin Schultz, (414) 272-5600; **Louisville** - Mike Davis (502) 581-7253.

Northeastern District

John Farrell (617) 424-4995

Denise Kirk-Murray (212) 790-4053

### **New Rural Empowerment Zone Established**

The USDA has announced the creation of the Aroostook County Empowerment Zone in northern Maine. Empowerment zones receive various federal tax benefits and technical assistance geared to boosting economic growth and business opportunities in rural areas. Sparsely populated Aroostook County's economy relies heavily on timber and agriculture. An initial grant of \$100,000 will help cover the start-up costs of implementing the Zone's community development strategy. For more information, contact the Northern Maine Development Commission at (207) 498-8736 or on the web at: [www.nmdc.org](http://www.nmdc.org).

### **New FHLB Funds Awarded**

The Federal Home Loan Bank of New York has awarded \$12.1 million to fund 54 affordable housing initiatives in New York, New Jersey and Puerto Rico through the bank's affordable housing program, which supports initiatives to meet the affordable housing needs of the low- to moderate-income elderly, disabled, homeless families, and first time homebuyers. The program provides direct subsidies to banks partnering with local non-profit organizations. For more information, contact FHLBNY at (212) 294-1764 or on the web at: [www.fhlbny.com](http://www.fhlbny.com).

Southeastern District

Nancy Gresham-Jones (404) 588-4539

Karol Klim (404) 588-4538

Neighborhood Lending Partners of South Florida

A new lending consortium, Neighborhood Lending Partners of South Florida, Inc. (NLPSF), has been created to provide affordable housing in South Florida in affiliation with Neighborhood Lending Partners, Inc. (NLP), an established CDFI with a nine-year track record. Twenty-three area banks including the Federal Home Loan Bank of Atlanta have created a \$20 million loan pool to finance the development and rehabilitation of multi-family affordable housing projects in low-income and minority communities in Miami-Dade County. NLPSF has funded approximately \$110 million in loans, resulting in more than 5,000 affordable housing units. For more information, contact Debra Reyes at

(813) 879-4525, or Erbi Blanco-True at (305) 666-6153.

### **Federal Home Loan Bank of Atlanta Creates New Markets Fund**

The Federal Home Loan Bank of Atlanta (FHLBA) has established a New Markets Tax Credit (NMTC) matching fund, the “New Markets Fund,” through which it will provide recoverable grants of up to \$100,000 in matching funds to members that invest in qualifying NMTC funds. For more information, visit [www.fhlbatl.com/newmarkets](http://www.fhlbatl.com/newmarkets).